

House Cost Can Drop to Nothing In 25 Years

Buying a home is the biggest financial step the typical family ever takes, one that many people approach with needless trepidation.

Yet, did you know that, over a 25-year period, your house could cost you nothing? Compare that to car purchases which could dig into your bank account over the same period to the tune of \$23,000 or more.

Persuasively weighing long-term outlays for shelter and wheels, two basic family needs, was Editor Richard W. O'Neill in a recent issue of the authoritative House & Home magazine. He put it this way:

"Assume the house buyer takes out a 25-year \$20,000 mortgage on a \$25,000 house. At 7% interest, he will pay \$42,408 on the mortgage in 25 years, but income tax deductions of \$22,408 in interest will give him an effective rebate, in the 30% tax bracket, of \$6,722.

Value Keeps Pace

So his house will actually cost him \$35,680 in mortgage payments plus his \$5,000 down payment—or a total of \$40,680. But using the most conservative estimates of increasing value, the house will be worth at least \$40,000 after 25 years—and that figure does not include an annual 12% inflationary factor in the value of money.

"In short, he will be able to get back every bit of money he has put into his house purchase. So if he sells the house, it will have cost him nothing.

"Let's also assume that the home buyer buys eight cars and keeps each for three years—and that each car is worth approximately \$1,000 and is financed at 12%. At the end of the 25-year period, he will have paid about \$23,000 for his cars and will wind up with only one car valued at about \$1,600," states O'Neill.

Interest Compares Well

Maintenance and local property taxes are added costs to the home owner, of course, but these are easily offset by the quantity and quality of living attained by the home-owning family.

Although the interest charged for mortgage money is higher today than it has been for many years, the rate is still considerably less than those charged for autos, appliances and such luxury items as color TV sets, all of which also have a high rate of depreciation.

As a hedge against inflation, the purchase of a home is probably the soundest dollar investment that the average family can make.

Power Mower Tips

When you fill the tank of that power lawnmower, be sure to treat gasoline with respect. Remember it gives off flammable vapors which need only a tiny flame or spark to turn into searing fire or dangerous explosion.

So do all refueling outdoors where the dangerous vapors can't accumulate. Keep away from all ignition sources, and observe a strict no smoking rule. Wipe up all spilled gasoline before starting the motor.

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Which Electric Heat system is best? Depends upon your home and your family. Many adding Electric Heat to an existing home prefer baseboard units. They are easy to install and require minimum alterations. Just run a few wires and connect to the heating units.

If you plan to remodel, consider ceiling cable. The heating elements are actually hidden in the ceiling.



Now's a good time to think ahead... think about the cold, wintry days (and nights) that will be here all too soon. What better time to install Electric Heat?

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